

Australian Residential Market Update

December 2022

Recent industry announcements shaping the Australian residential market

Cash rate target lifted another 25bps

Australia has now encountered eight consecutive increases to the official cash rate to battle rising inflation, from the historic low of 0.10% in April 2022, to rise 25bps in December 2022 to stand at 3.10%. The status of the global economy, local household spending and wage growth will continue to be considered the next time the Reserve Bank of Australia Board meets in February 2023.

Evolving Infrastructure Australia

The Federal Government has announced several changes including evolving the Infrastructure Australia governance model to enable the advisory body to undertake more proactive inquiries into infrastructure needs. The government has also announced it will host the promised *Cities and Suburbs Unit* rather than falling under the Infrastructure Australia umbrella.

National Nature Positive Plan released

As the Federal Government has committed to protect 30% of Australia's land and seas by 2030, create a nature repair market, and establish an independent Environment Protection Agency (EPA), it has now delivered a *Nature Positive Plan: better for the environment, better for business*. Environmental law reforms will be underpinned by new regional plans and National Environmental Standards, of which, five initial standards have been flagged for development. The legislation will be released as an exposure draft by the end of 2023 when it will be introduced to the Parliament.

NSW rezoning pathways program

The New South Wales (NSW) Government has announced it will seek to accelerate rezoning across the state as part of its \$73.5 million *Rezoning*

Pathways Program. The program is being delivered over a two-year period as part of the \$2.8 billion Housing Package and aims to release 70,000 new homes by 2024. Under the program, the NSW Government will assess, or lead, select State or regionally significant planning proposals, with all land to be rezoned within this time. The program includes a pilot of a minimum of 1,000 homes in the metropolitan area and 300 homes in regional areas.

New rules for NSW independent planning panels

The NSW Government has announced new rules for governing the state's 45 independent planning panels. According to the NSW Government, the changes aim to reduce the risk of corruption and potential lobbying of panel members. Changes to the way Sydney District Panels and Regional Planning Panels operate will come into

effect immediately, while changes to Local Planning Panels come into effect on 24 April 2023 giving councils time to recruit additional panellists.

Re-elected Government for Victoria

Premier Daniel Andrews and his Labor team secured a third term in government and was re-elected in their own right on 26 November 2022. Key promises range from a focus on health, the legacy of the COVID-19 pandemic, the cost of living including energy prices, infrastructure, making housing more affordable and securing the Victorian economy considering the current global headwinds.

A new ministry includes the establishment of a Department of Transport and a Planning and refinement to the Department of Jobs, Skills, Industry and Regions. Other important new appointments for property is the Minister for Housing, who will carry responsibility for the Big

Housing Build and affordable housing.

Housing Summit Outcomes report released for Queensland

The release of the Queensland Government's *Housing Summit Outcomes* report follows the landmark *Housing Summit* held in October 2022. The summit provided a unique opportunity for the Government and the private sector to jointly work together on a suite of reforms to ease immediate housing pressures and set Queensland up for future growth. This Housing Roundtable will meet again in March 2023.

Raft of new policy changes in play for Western Australia

The Western Australia (WA) Government has introduced changes from 12 December 2022 for those entering the housing market with increased *Keystart* home loan property price limits. Borrowers can now purchase properties across WA up to

the value of \$560,000. Previously, the limit was \$480,000 for those building or buying established homes in the Perth metropolitan area and \$500,000 for regional areas.

A new planning policy has come into effect this month which will guide the location and selection of development sites for new government and private schools across WA.

The state government has announced the launch of the *Perth Landing Pad* platform to assist startups looking to invest and grow in WA. The program is designed to attract high-growth startups from around the world to Perth, supporting them to grow and scale up their businesses.

The WA Government released its 2022-23 Mid-Year Budget Review, which included a record \$35 billion infrastructure program from 2022-23 through to 2025-26.

AUSTRALIAN DWELLINGS as at 30 NOVEMBER 2022

CAPITAL VALUES MoM	-1.0%	NEW LISTINGS Rolling 28 day count YoY ^	-30.8%
CAPITAL VALUES QoQ	-3.5%	TOTAL LISTINGS Rolling 28 day count YoY ^	-9.4%
CAPITAL VALUES YoY	-3.2%	AUCTION CLEARANCE RATE [Total Auctions] ^	56.4% [2,414]

Source: Knight Frank Research, CoreLogic, Hedonic Home Value Index

^ Latest available

Please get in touch with us

If you are looking to buy, sell or would just like some property advice, we would love to hear from you.



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